

P-999/CI-89-477 APPROVING AND ADOPTING SETTLEMENTS, REQUIRING STATUS
REPORT, AND CLOSING DOCKET

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of a Petition from the Residential Utilities Division of the Office of the Attorney General for an Investigation into the Restriction of Access to Information Services

ISSUE DATE: May 14, 1990

DOCKET NOS. P-999/CI-89-477
P-407/M-88-521

In the Matter of a Proposal by Contel of Minnesota, Inc. to Introduce 900 Blocking Service

ORDER APPROVING AND ADOPTING
SETTLEMENTS, REQUIRING STATUS
REPORT, AND CLOSING DOCKET

PROCEDURAL HISTORY

On June 28, 1989 the Residential Utilities Division of the Office of the Attorney General (RUD-OAG) filed a petition requesting an investigation into whether local exchange carriers should be required to offer their customers optional blocking of access to interstate information services. The RUD-OAG alleged that unauthorized calls to information services by minors and other vulnerable persons, and the bills for such calls, created a need for optional blocking.

On October 23, 1989 the Commission granted the petition and initiated an investigation. ORDER INITIATING INVESTIGATION AND ORDER TO SHOW CAUSE (October 23, 1989).

On March 19, 1990 the Commission issued its ORDER APPROVING TERMS FOR DISMISSAL AND DISMISSING NORTHWESTERN BELL TELEPHONE COMPANY FROM THE INVESTIGATION AND REQUIRING THE OFFICE OF THE ATTORNEY GENERAL TO REPORT ON THE STATUS OF ITS OTHER RELATED NEGOTIATIONS. In that Order the Commission approved and adopted an agreement between the RUD-OAG and Northwestern Bell. Under the terms of that agreement the company agreed to provide blocking at no charge where technically feasible, to offer blocking to all customers as it became technically feasible, to inform all customers of complaint procedures regarding information services, to refrain from disconnecting local service for nonpayment of interstate information services charges, and to assign the costs of blocking to the local switching rate element (LS2) of its Minnesota access service tariff.

The RUD-OAG has now requested Commission approval of similar agreements with Contel of Minnesota, Inc. (Contel), Central Telephone Company of Minnesota (Centel), and United Telephone Company of Minnesota (United). The RUD-OAG has also requested a 30-day extension of time in which to report on its negotiations with the remaining local exchange carriers.

The matter came before the Commission on May 1, 1990.

FINDINGS AND CONCLUSIONS

The Agreements

The agreements with Contel, Centel, and United are identical to the one with Northwestern Bell, with minor exceptions: 1. All three companies reserve the right to charge the customer for blocking if it is installed more than once within a designated time period.¹ 2. United's agreement does not explicitly prohibit disconnecting local service for nonpayment of information service charges; the company has agreed to correct this in its tariff filing. 3. Contel's and Centel's customer notices failed to refer complaints to the RUD-OAG, to facilitate monitoring of compliance with the agreement and consumer experience with information services generally. Both companies have agreed to modify their notices to so provide.

The Commission finds that the terms of these agreements provide the best available protection against the untoward consequences of unauthorized calls to information services. Although blocking will not be available to all customers immediately, the prohibition against disconnection will still provide substantial ratepayer protection. Furthermore, the RUD-OAG will monitor consumer experience with information services, ensuring that any serious problems come to the Commission's attention promptly.

The Commission finds it reasonable and equitable to assign blocking costs to the access fees paid by interexchange carriers. In a similar case involving intrastate information services, blocking costs were assigned to the information providers, whose

¹ This condition was inadvertently omitted from the written agreement with United. Both parties, however, have agreed to it.

services created the need for the blocking.² Since the Commission does not regulate interstate service, it is not possible to follow that approach here. Assigning the costs to interexchange carriers as part of their cost of doing business with the information service providers, however, is also a reasonable approach.

The Commission concludes that these agreements are in the public interest and should be approved. The Commission will so order.

Earlier Contel Tariff Filing

On August 3, 1988 Contel filed a request to offer its customers optional blocking of interstate information services and to place the costs of blocking in rate base. In the Matter of a Proposal by Contel of Minnesota, Inc. to Introduce 900 Blocking Service, Docket No. P-407/M-88-521. On November 3, 1989 the Commission approved the proposal on a trial basis.

Contel and the RUD-OAG offer the agreement discussed above as a complete resolution of all issues raised by the company's August 3 filing. The Commission finds that the agreement, approved and adopted herein, does resolve those issues and will therefore close the docket opened to examine the August 3 filing.

Extension of Time for Status Report

The Commission's March 19 Order in the investigation docket required the RUD-OAG to file a report within 30 days on its negotiations with the local exchange carriers which had not yet entered into agreements. On April 13 the RUD-OAG filed a request for a 30-day extension of time to file this report.

The Commission will grant the RUD-OAG an additional 30 days to report. Clearly, progress is being made, and the negotiations in which the RUD-OAG is involved should be allowed to continue.

ORDER

1. The agreements on optional blocking of interstate information services entered into by the Residential Utilities Division of the Office of the Attorney General and Contel of Minnesota, Inc., Central Telephone Company of Minnesota, and United Telephone Company of Minnesota are approved and adopted as modified herein.

² In the Matter of The Commission Initiated Investigation Of The Reasonableness Of Dial Data Service Offered By Northwestern Bell Telephone Company, Docket No. P-421/CI-87-631, ORDER REQUIRING 976 BLOCKING (March 10, 1988).

2. Docket No. P-407/M-88-521, In the Matter of a Proposal by Contel of Minnesota,
Inc. to Introduce 900
Blocking Service, is
hereby closed.
3. Within 30 days of the date of this Order, the Residential Utilities Division of the Office of the Attorney General shall file a report on the status of its negotiations with the remaining local exchange carriers on optional blocking of interstate information services.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)